



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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Statement by San Diego City Attorney Michael Aguirre

We respectfully disagree with Judge Barton's ruling and believe it contains a number of legal errors. Specifically, the legislature just amended the statute of limitations through Assembly Bill 1678 to provide that the statute of limitations for suits to void a contract in violation of Gov't Code Section 1090 is four years after the plaintiff has discovered, or in the exercise of reasonable care should have discovered, the violation.

In enacting [Assembly Bill 1678](#), the Legislature noted that "[b]oth 1090 and 1092 have spawned hundreds of cases, each court affirming the principle that government officials owe paramount loyalty to the public and that private or personal financial considerations of a public official should not be allowed to enter the decision making-process."

Moreover, the Legislature enacted Assembly Bill 1678 to aid the City of Southgate to file claims to invalidate contracts illegally created, even contracts entered into many years ago, similar to the situation here in San Diego.

Two years ago, Albert Robles, former Treasurer of the City of Southgate was convicted of fraud, money laundering, and public corruption in the conduct of the city's business. During his tenure, various contracts were let by the city that resulted in kickbacks of more than \$1.2 million to Robles and his associates; law firms friendly to Robles ran up huge legal fees, and some city employees received huge raises and extravagant severance packages.

The City of Southgate, like the City of San Diego, has had to lay off workers, raise taxes, freeze hiring, and sell off property to meet its obligations. The City of San Diego has also seen several of its former city officials indicted by the U.S. Attorney's Office and also charged under criminal state conflict of interest laws by the San Diego District Attorney's office.

The Legislature noted in its official comments to Assembly Bill 1678 that "Southgate has attempted to block some of the contracts...with limited success. ... Because of the complexity of the cases, the city is running into statute of limitations problems in bringing lawsuits to avoid some of these contracts." As stated by the Legislature, "[t]his bill would establish a four-year statute of limitations for 1092 actions that are based on violations of the conflict of interest prohibitions of 1090. It would therefore give public entities more time to gather information and develop their cases for voiding contracts that are grounded on violations of the public trust."

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We believe San Diego taxpayers will eventually have their day in court and the opportunity to present their case to a jury and not be saddled with hundreds of millions of dollars in illegally created pension debt.

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